IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
WRIT PETITION NO. 648 OF 2006

Kanchan Charudatta Deochake ... Petitioner
Versus
The State of Mah. and Ors. ... Respondents

Mr. O.S. Kutty with Mr. S.S. Jinsiwale for Petitioner.

Mr. A. Sayed, A.G.P. for Respondents.

CORAM : F.I. REBELLO &
ANOOP V. MOHTA, JJ.
DATED : MARCH 28, 2006

P.C.

. Rule. Heard forthwith.

. The Petitioner was a licenced stamp vendor. The show cause notice dated 12.1.2006 came to be issued to the Petitioner. It was set out therein that the Petitioner had sold stamps of denomination of Rs.50 and Rs.100/- on 3.1.2006 and 10.1.2006 to Shri. R.S. Alve, Advocate, India Imphomata Pvt. Ltd. and M/s. P.V. Sadwelkar respectively. Show cause notice further sets out that it has come to the knowledge of the Office that the said persons had sold unlawfully, at the rate exceeding the face value of the stamps purchased them from the Petitioner. A show cause notice came to be issued on the ground that prima facie

the possibility of personal knowledge of Petitioner cannot be ruled out. The Petitioner filed reply on 18.1.2006 setting out therein that the stamp papers which were sold, were sold in the normal course and that he was not aware of the illegal activities of those persons. By communication of 23.1.2006, various transactions done by the Petitioner have been set out. It is further set out that prima facie there is possibility that the Petitioner was aware that stamp papers sold by the Petitioner to the customer were sold by customer at the higher rate cannot be ruled out. In these circumstances, the licence of the petitioner stood cancelled. It is this order which is the subject matter of the present petition.

. The learned counsel has drawn our attention to Rule 18 of the Rules known as Bombay Stamps Supplies and Sales Rule, 1934. Rule 18 thereof reads as under :

> "Every licence vendor shall, without delay, deliver any stamp which he has in his possession for sell on demand by any person tendering the value thereof in any currency which would be accepted on behalf of the Government by the

> Collector. A licenced vendor shall not demand or accept for any stamp any consideration exceeding the value of such stamp."

. In other words, if a person comes to purchase a stamp, the vendor is duty bound to sell the same. Once that be the case and as the stamps have been sold in a case where the purchaser had sold it for a higher value, can not be related to the Petitioner, unless there was material on record to show that the stamps were sold by the Petitioner to the purchasers knowing fully well that the purchaser was selling the stamps for higher value. There is no such material on record.

. Considering the above, the impugned order dated 23.1.2006 is quashed and set aside. The licence of the Petitioner stands restored. It is made clear that if the respondent have any material to show that the Petitioner was aware that the purchasers were selling the stamp papers at the higher rate, it will be open to the Respondents to take such action in law to which they are entitled to. With the above observations, petition stands disposed of. Rule made partly absolute accordingly. No order as to costs.

(F.I. REBELLO,J.)

(ANOOP V. MOHTA,J.)